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C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 000861

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SUBJECT: TURKMENISTAN/RUSSIA: MEDVEDEV VISIT NUDGES  
RELATIONSHIP, BUT NO MAJOR BREAKTHROUGHS

REF: A. IIR 6 940 0040 08  
[1](#)B. IIR 6 940 0050 08  
[1](#)C. ASHGABAT 0830  
[1](#)D. ASHGABAT 0819

Classified By: CDA RICHARD E. HOAGLAND: 1.4(b), (d)

[1](#)1. (C) SUMMARY: Russian President Dmitriy Medvedev's July 4-5 visit to Ashgabat might have succeeded in modestly advancing the new president's personal relationship with Turkmenistan's President Gurbanguly Berdimuhamedov, but did not lead to any major breakthroughs. The two sides signed a series of agreements, the most important of which was an agreement on protection of each other's classified information that may have been directed toward overcoming the remaining obstacle to plans for a major purchase of new Russian military equipment. The two sides agreed to open a Turkmenistan campus of Russia's Gubkin State University on September 1, and to increase academic exchanges with Russia. They did not emerge, however, with any new consensus on the 2009 price or volume of sales of Turkmenistan's natural gas to Gazprom, a development which is sure to leave many prepared to call the visit a disappointment. END SUMMARY.

[1](#)2. (C) President Medvedev arrived July 4 for a two-day relationship-building state visit. In press statements following their meeting, both leaders emphasized the friendly relations between their two countries. The two met one-on-one, then held an expanded meeting. Documents signed during the visit included a written joint declaration, a memorandum of cooperation, an agreement on cooperation in education, and a cooperation program for 2008-2009. The two sides also signed an agreement on cooperation on the protection of classified information, which is possibly directed toward overcoming the remaining obstacle to plans for a major purchase of new Russian military equipment from Rosoboronexport by Turkmenistan's Ministry of Defense (Refs A, B). The visit was heavy on "cultural" events, including Medvedev laying a wreath at former President Niyazov's mausoleum. One unusual twist was that the state dinner lasted only 90 minutes, after which the official delegations went to the Hippodrome to view Turkmenistan's famous Ahal Teke

horses, followed by a private Medvedev-Berdimuhamedov dinner.

ENERGY: NO PROGRESS ON 2009 PRICE OR VOLUME

13. (SBU) The big news from Medvedev's visit to Ashgabat is what did not happen. Russian press billed Medvedev's July 4-5 state visit to Ashgabat as a chance to lock up Turkmenistan's natural gas exports and put a damper on the West's efforts to find alternative, non-Russian gas transport routes. Despite these expectations, there were no concrete new developments. A July 1 visit by Gazprom CEO Alexei Miller failed to result in an agreement on the 2009 price, volumes and commitment to delivery that Russia wants (Ref C).

During a joint press appearance following the two presidents' high-level discussion, Medvedev acknowledged that he and Turkmenistan's President Berdimuhamedov had spent considerable time discussing energy issues, including implementation of the tripartite agreement signed by Russia, Kazakhstan, and Turkmenistan in December 2007 to promote a Caspian littoral gas pipeline for Gazprom, as well as promote rehabilitation of the Central Asia Center-I, II and IV pipeline system which currently is the major gas transport route between Turkmenistan and Russia. While Berdimuhamedov reaffirmed Turkmenistan's commitment to its agreement to provide Russia with gas to 2025, he apparently continued to insist that Turkmenistan be allowed to renegotiate gas prices annually with Russia. However, Russian presidential foreign-policy adviser Sergey Prikhodko -- apparently engaging in spin control -- told the press that Turkmenistan is not going to join the Nabucco project. He followed that

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statement with the haughty dismissal, "We have never heard the word 'Nabucco' from our Turkmen colleagues."

SURROGATE DIPLOMACY

14. (C) The visit was largely an opportunity to build Russian commercial and cultural ties with Turkmenistan. Russian Ambassador Igor Blatov acknowledged to an EmbOff that Russia is working hard to promote stronger relations between President Berdimuhamedov and Tatar President Mintimer Shaimiyev because of the shared Islamic background and common interests in oil and gas. Indeed, Shaimiyev accompanied Medvedev on this trip, as did the Governor of Astrakhan Region, Alexander Zhilkin, and St. Petersburg governor Matviyenko. During the opening of a Kamaz training and service center on July 5, Shaimiyev stayed close to the two presidents during the tour of the facility and spent as much time talking to Berdimuhamedov as Medvedev did. (NOTE: Berdimuhamedov had just concluded a June 28-29 visit to Tatarstan. END NOTE.)

GUBKIN INSTITUTE TO OPEN TURKMENISTAN CAMPUS

15. (SBU) From Turkmenistan's perspective, one of the most important developments was an agreement to establish a Turkmenistan campus for Russia's I.M. Gubkin State University of Oil and Gas, scheduled to open its doors on September 1. (NOTE: President Putin had raised this possibility during his May 2007 visit to Turkmenistan -- to an enthusiastic response from Berdimuhamedov. END NOTE.) Russia also agreed to increase the number of Turkmen students studying on scholarships in Russian universities.

16. (SBU) Medvedev's delegation also included a gaggle of Russian businessmen, many of whom remained behind afterwards to explore possible new trade opportunities in Ashgabat. As a concrete symbol of the two countries' strengthening commercial relationship, Berdimuhamedov and Medvedev jointly cut the ribbon for a new Kamaz (truck) training and service center. Berdimuhamedov had agreed while visiting a Kamaz factory the week before in Tatarstan to purchase 2,500 new Kamaz trucks. However, there were no other new contracts announced during the visit, suggesting that Russian companies are not having an easier time breaking into Turkmenistan's

markets than firms from any other countries. According to press reports, however, the two sides did agree to speed up negotiations directed toward establishing a direct ferry route between Astrakhan and the port of Turkmenbashy.

#### PAYING LIP SERVICE TO INCREASED SECURITY COOPERATION

17. (C) Russia's Defense Minister, Anatoliy Sedyukov, also accompanied Medvedev for separate meetings with his Turkmen counterpart, General Agageldi Mammetgeldiyev. In addition to possibly reaching agreement on a means of overcoming the impasse to the problem of allowing a bank to handle future Rosoboronexport contracts, which the Russians had considered to be classified, Sedyukov reportedly offered further assistance in modernizing Turkmenistan's military forces, beyond the free training of Turkmen military in Russia's military academies which resumed in late 2007. Separately, the two countries paid lip service to increasing cooperation in the fight against terrorism, drugs, and other threats to security.

18. (C) COMMENT: As reported Ref D, the bilateral relationship between Russia and Turkmenistan has not been what Turkmen and Russian press have played it up to be. While the Russians likely did succeed in promoting a personal relationship between Medvedev and Berdimuhamedov, the improvement seems to have been modest and consistent with the Turkmen's preference for a gradualist approach.

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Berdimuhamedov and many of his officials are cognizant of the fact that Russia wants to turn Turkmenistan into "Gazpromistan," and seem determined to see that any further strengthening of the relationship -- in almost any sector -- comes on Turkmenistan's terms and in a way that best benefits the country. For now, time seems to be on Berdimuhamedov's side. END COMMENT.  
HOAGLAND